

REFERENCE TITLE: lottery proceeds; university scholarships

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

SB 1278

Introduced by
Senator Hale; Representatives Aguirre A, Lujan, Miranda B, Sinema: Senator
Soltero; Representatives Alvarez, Cajero Bedford, Downing, Lopez L,
Prezelski

AN ACT

AMENDING SECTION 5-522, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 14, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 8; RELATING TO THE STATE LOTTERY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 5-522, Arizona Revised Statutes, is amended to
3 read:

4 5-522. Use of monies in state lottery fund

5 A. The monies in the state lottery fund shall be expended only for the
6 following purposes and in the order provided:

7 1. For the expenses of the commission incurred in carrying out its
8 powers and duties and in the operation of the lottery.

9 2. For payment to the commerce and economic development commission
10 fund established by section 41-1505.10 of not less than twenty-one and
11 one-half per cent of the revenues received from the sale of two special
12 lottery games conducted for the benefit of economic development.

13 3. Except as provided in subsection F of this section, for payment to
14 the local transportation assistance fund established by section 28-8101 of
15 not less than twenty-nine per cent of the revenues received from the sale of
16 multistate lottery games, up to a maximum of eighteen million dollars each
17 fiscal year.

18 4. For payment to the state general fund of not less than twenty-one
19 and one-half per cent of the revenues received from the sale of any instant
20 bingo games conducted by the state lottery and not less than twenty-nine per
21 cent of the revenues received from the sale of any on-line three-number games
22 conducted by the state lottery, up to a maximum of ten million dollars each
23 fiscal year, except that if on or before June 1 of each fiscal year the state
24 lottery director determines that monies available to the Arizona state parks
25 board heritage fund under subsection D of this section may not equal ten
26 million dollars in that fiscal year or that the monies available to the
27 Arizona game and fish commission heritage fund under subsection D of this
28 section may not equal ten million dollars in that fiscal year, or both, the
29 director shall authorize deposits to the Arizona state parks board heritage
30 fund in an amount so that the total monies in that fund in that fiscal year
31 equal ten million dollars or to the Arizona game and fish commission heritage
32 fund in an amount so that the total monies in that fund in that fiscal year
33 equal ten million dollars, or both. The state lottery director shall not
34 make any deposits pursuant to this paragraph until after the director's
35 determination each fiscal year.

36 5. Of the monies remaining in the state lottery fund from the sale of
37 instant bingo games and on-line three-number games each fiscal year, thirty
38 per cent shall be allocated to the funds and programs described in subsection
39 E of this section and seventy per cent shall be deposited in the local
40 transportation assistance fund established by section 28-8101. The director
41 shall not allocate more than the amount specified in subsection E of this
42 section for each fiscal year to the funds and programs described in
43 subsection E of this section from the state lottery fund pursuant to this
44 paragraph and subsection E of this section. A maximum of eighteen million
45 dollars may be deposited in the local transportation assistance fund each

1 fiscal year from the state lottery fund pursuant to this paragraph and
2 paragraph 3 of this subsection.

3 **6. FOR PAYMENT TO THE LOTTERY TUITION FUND ESTABLISHED BY SECTION**
4 **15-1881, THE SUM OF TEN MILLION DOLLARS EACH FISCAL YEAR.**

5 B. Of the monies remaining in the state lottery fund after the
6 appropriations authorized in subsection A of this section seventy-five per
7 cent up to a maximum of twenty-three million dollars each fiscal year shall
8 be deposited in the local transportation assistance fund established ~~pursuant~~
9 to BY section 28-8101 and twenty-five per cent up to a maximum of seven
10 million six hundred fifty thousand dollars each fiscal year shall be
11 deposited in the county assistance fund established ~~pursuant to~~ BY section
12 41-175. Monies distributed pursuant to this subsection shall be in addition
13 to monies distributed pursuant to subsection A, paragraphs ~~4~~ 3 and ~~6~~ 5 of
14 this section.

15 C. Notwithstanding subsection B of this section, if the state lottery
16 director determines at the beginning of any fiscal year that monies available
17 to cities, towns and counties under this section may not equal thirty million
18 six hundred fifty thousand dollars, the director shall not authorize deposits
19 to the county assistance fund until the deposits to the local transportation
20 assistance fund equal twenty-three million dollars.

21 D. Of the monies remaining in the state lottery fund each fiscal year
22 after appropriations and deposits authorized in subsections A, B and C of
23 this section, ten million dollars shall be deposited in the Arizona state
24 parks board heritage fund established ~~pursuant to~~ BY section 41-502 and ten
25 million dollars shall be deposited in the Arizona game and fish commission
26 heritage fund established ~~pursuant to~~ BY section 17-297.

27 E. Of the monies remaining in the state lottery fund each fiscal year
28 after appropriations and deposits authorized in subsections A, B, C and D of
29 this section, and appropriations and deposits to the local transportation
30 assistance fund authorized by this section, five million dollars shall be
31 allocated to the department of economic security for the healthy families
32 program established by section 8-701, four million dollars shall be allocated
33 to the Arizona board of regents for the Arizona area health education system
34 established by section 15-1643, three million dollars shall be allocated to
35 the department of health services to fund the teenage pregnancy prevention
36 programs established in Laws 1995, chapter 190, sections 2 and 3, two million
37 dollars shall be allocated to the department of health services for the
38 health start program established by section 36-697, two million dollars shall
39 be deposited in the disease control research fund established by section
40 36-274 and one million dollars shall be allocated to the department of health
41 services for the federal women, infants and children food program. The
42 allocations in this subsection shall be adjusted annually according to
43 changes in the GDP price deflator as defined in section 41-563 and the
44 allocations are exempt from the provisions of section 35-190, relating to
45 lapsing of appropriations. If there are not sufficient monies available

pursuant to this subsection, the allocation of monies for each program shall be reduced on a pro rata basis.

F. Notwithstanding subsection A, paragraph 3 of this section, if the state lottery director determines that monies available to the state general fund from the sale of multistate lottery games may not equal thirty-one million dollars in a fiscal year, the director shall not authorize deposits to the local transportation assistance fund pursuant to subsection A, paragraph ~~4~~ 3 of this section until the deposits to the state general fund from the sale of multistate lottery games equal thirty-one million dollars in a fiscal year.

G. All monies remaining in the state lottery fund after the appropriations and deposits authorized in this section shall be deposited in the state general fund.

H. Except for monies expended for prizes as provided in section 5-504, subsection H-G and section 41-1505.10, monies expended under subsection A of this section shall be subject to legislative appropriation.

Sec. 2. Title 15, chapter 14, Arizona Revised Statutes, is amended by adding article 8, to read:

ARTICLE 8. LOTTERY TUITION FUND

15-1881. Lottery tuition fund

A. THE LOTTERY TUITION FUND IS ESTABLISHED. THE ARIZONA BOARD OF REGENTS SHALL ADMINISTER THE FUND. THE FUND CONSISTS OF MONIES DEPOSITED PURSUANT TO SECTION 5-522 AND ALL OTHER MONIES CREDITED OR TRANSFERRED FROM ANY OTHER FUND OR SOURCE.

B. MONIES IN THE LOTTERY TUITION FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION AND SHALL BE USED TO FUND HIGHER EDUCATION SCHOLARSHIPS FOR INDIVIDUALS WHO MEET THE ELIGIBILITY REQUIREMENTS PRESCRIBED IN SECTION 15-1882. FUND MONIES SHALL NOT REPLACE FUNDING FROM OTHER SOURCES THAT IS OTHERWISE AVAILABLE FOR HIGHER EDUCATION PURPOSES AND PROGRAMS.

C. THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED IN SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

D. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSE OF APPROPRIATIONS.

15-1882. Scholarships; application; eligibility; rules; program termination

A. THE ARIZONA BOARD OF REGENTS SHALL ESTABLISH APPLICATION REQUIREMENTS AND ELIGIBILITY CRITERIA FOR APPLICANTS FOR SCHOLARSHIPS FROM THE LOTTERY TUITION FUND.

B. A FULL-TIME STUDENT AT A UNIVERSITY IN THIS STATE WHO IS ACCEPTED FOR ENROLLMENT AT A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS AND WHO QUALIFIES FOR IN-STATE STUDENT STATUS UNDER SECTION 15-1802 SHALL RECEIVE A SCHOLARSHIP AT THE BEGINNING OF THE SECOND SEMESTER OF ENROLLMENT AT THE UNIVERSITY THAT COVERS A DESIGNATED PERCENTAGE OF TUITION COSTS IF THE STUDENT GRADUATED FROM A PUBLIC OR PRIVATE HIGH SCHOOL IN THIS

1 STATE OR OBTAINED A GENERAL EQUIVALENCY DIPLOMA IN THIS STATE AND MEETS
2 EITHER OF THE FOLLOWING REQUIREMENTS:

3 1. THE STUDENT OBTAINED A CUMULATIVE GRADE POINT AVERAGE OF AT LEAST A
4 2.5 ON A 4.0 SCALE DURING THE FIRST SEMESTER AFTER THE STUDENT'S INITIAL
5 ENROLLMENT AT A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF
6 REGENTS.

7 2. THE STUDENT BOTH:

8 (a) BEGAN SERVICE IN A BRANCH OF THE UNITED STATES ARMED FORCES NO
9 LATER THAN ONE HUNDRED TWENTY DAYS AFTER OBTAINING A HIGH SCHOOL DIPLOMA OR
10 GENERAL EQUIVALENCY DIPLOMA.

11 (b) WAS ACCEPTED FOR ENROLLMENT AT A UNIVERSITY UNDER THE JURISDICTION
12 OF THE ARIZONA BOARD OF REGENTS NO LATER THAN ONE HUNDRED TWENTY DAYS AFTER
13 THE STUDENT RECEIVED AN HONORABLE DISCHARGE OR A MEDICAL DISCHARGE FROM A
14 BRANCH OF THE UNITED STATES ARMED FORCES.

15 C. A STUDENT MAY NOT RECEIVE A SCHOLARSHIP FROM THE LOTTERY TUITION
16 FUND FOR MORE THAN FOUR YEARS.

17 D. BEFORE JUNE 30 OF EACH YEAR, THE ARIZONA BOARD OF REGENTS SHALL
18 DETERMINE THE AMOUNT OF MONIES AVAILABLE FOR LOTTERY TUITION FUND
19 SCHOLARSHIPS. THE ARIZONA BOARD OF REGENTS SHALL DESIGNATE A SPECIFIC
20 PERCENTAGE OF TUITION COSTS THAT WILL BE AWARDED TO PERSONS WHO QUALIFY FOR
21 SCHOLARSHIPS FROM THE LOTTERY TUITION FUND BASED ON THE AMOUNT APPROPRIATED
22 BY THE LEGISLATURE FROM THE LOTTERY TUITION FUND AND THE PROJECTED ENROLLMENT
23 AT THE UNIVERSITIES UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS.
24 THE DESIGNATED PERCENTAGE OF TUITION COSTS AWARDED SHALL BE THE SAME FOR EACH
25 UNIVERSITY AND SHALL NOT BE ADJUSTED FOR DISCREPANCIES IN THE ACTUAL COST OF
26 TUITION AT EACH UNIVERSITY.

27 E. THE ARIZONA BOARD OF REGENTS MAY ADOPT RULES TO CARRY OUT THE
28 PURPOSES OF THIS SECTION.

29 F. THE SCHOLARSHIP PROGRAM ESTABLISHED BY THIS ARTICLE ENDS ON JUNE
30 30, 2016 PURSUANT TO SECTION 41-3102.